INFORMATION LETTER

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What's Doing in Congress

Except for the passage of the rural-electrification bill by the Senate, most of the hard work by Congress during the past week has been confined to the appropriation bills, which are moving along according to schedule.

Proposed Revision of Corporate Taxes

The revision of the entire corporate tax structure, proposed in President Roosevelt's message of March 3, 1936, is now under consideration by a subcommittee of the House Committee on Ways and Means. In an effort to prevent the evasion of surtaxes, President Roosevelt recommended a complete revision of the corporate tax structure by which present corporate income taxes would be repealed and there would be substituted a very heavy tax on any earnings not distributed. It is understood that a tax of approximately 33⅓ per cent is being considered. This would mean that any company having good earnings in any taxable year would virtually be required to distribute all such earnings in the form of dividends in order to escape the heavy tax on undistributed earnings. It is proposed that the law further be amended to make taxable as income to individuals any moneys received in dividend distributions.

This proposal has had a varied reception. Its proponents have argued that the compulsory distribution of earnings would maintain purchasing power and prevent tax evasion. Its opponents have pointed out that unless corporations are permitted to build up a surplus for use during periods of depression, any future depression would be severely accentuated. At the present time, the House subcommittee is considering the question whether provision should be made permitting a so-called "cushion" for use during depression, that is, to permit corporations to set aside from earnings a certain percentage of such earnings before the excessive tax becomes applicable. For example, if a corporation earned $100,000 net income, it would be required under the first proposal to pay a tax of 33⅓ per cent on any part of this sum not distributed. The existence of such tax would virtually require distribution of all of it. The so-called "cushion" proposal would permit the corporation to retain some portion, for example $25,000, paying the regular corporate tax rate on that sum, and to distribute the remainder or pay a 33⅓ per cent tax on it. It is understood that Treasury officials have objected to the "cushion" proposal on two grounds: first, because it would upset their estimates of expected revenues; and second, because mathematically a corporation, on the example given above, which retained $25,000 and paid a 33⅓ per cent tax on that sum, or $8,333.33, would in fact be paying only 8⅓ per cent on its whole net income.

The importance of this problem to canning concerns should be obvious. In a highly seasonal business, dependent upon weather, and many other uncontrollable factors, earnings in any one year do not reflect average earnings. Working capital requirements are necessarily greater in such an industry than in industries in which the supply is constant. Under the proposed revision it would be likely that an incorporated canning concern which had good earnings in a particular year would be required to distribute such earnings or pay virtually confiscatory taxes and thus be left without working capital or surplus for use in subsequent years in which it might incur large losses.

It is expected that the subcommittee of the Ways and Means Committee will formulate a definite tax bill within a week or ten days, and at that time the Association will forward to members an analysis of the measure proposed.

Price-Discrimination Bills

The House Judiciary subcommittee has reached no decision as to which of the price-discrimination bills should be reported out, and is now understood to have dropped the Patman Bill from further consideration. It is also said that the subcommittee may in the end report out an entirely new draft. (See elsewhere for a synopsis of the current price-discrimination bills under the heading "Proposed Legislation to Amend Anti-Trust Laws".)

The thorough study given the subject by the Utterback subcommittee, including the analysis of a great mass of evidence from both sides in the controversy, has apparently led to differences of opinion among the members that may make it difficult to agree upon any of the existing bills unless modifications are accepted.

The ups and downs of the Patman and Utterback Bills, as reported in the INFORMATION LETTER, have been impossible to predict in advance and probably will continue to be unpredictable in the future.

In the Senate the Robinson Bill has not been brought up for action nor has it been returned to the Committee for hearings. According to more or less well-informed gossip among those interested in the bill, pressure has increased to the point where it may lead, as a compromise, to hearings on some other Senate price-discrimination bill such as the Copeland Bill (S. 4024) or the Borah and Van Nuys Bill (S. 4171), the Robinson Bill receiving no further attention in the Senate until such hearings are concluded.

Walsh-Healey Bills

Hearings on the Healey Bill (H. R. 11554) are announced for March 16 before the subcommittee of the House Judiciary Committee, headed by Mr. Healey. The Association has been authorized to appear at the hearings in opposition to this proposed legislation.

The Healey Bill, which has been introduced as a substitute for the Walsh Bill, differs from the original bill in some particulars. It does not hold the principal contractor responsible for labor conditions in the operations of subcontractors, although it still requires the observance of the

required labor agreements on the part of such subcontractors on Government contracts, supplies, etc.

The new bill also differs from the Walsh Bill in putting the administration of the act under the Secretary of Labor instead of under the President, in suggesting the prevailing wages and hours rather than the old code standards, in eliminating borrowers of Government funds from the purview of the act, and in disregarding contracts of less than $2,000.

Wheeler-Rayburn Bill

The Senate Interstate Commerce Committee has decided to report favorably the Wheeler Bill (S. 3744) to broaden the powers of the Federal Trade Commission. At the hearings the bill was opposed by publishers' and business organizations and supported by officials of the Federal Trade Commission, the latter feeling that they have been handicapped by the necessity, under the present Act, of proving injury to competitors in some of the cases coming before them. (See elsewhere the article headed "Proposed Legislation to Amend Anti-Trust Laws".)

It is impossible at this time to guess intelligently as to the fate of this bill. Much depends on the time of adjournment and also on the attitude of the House, where, during this session at least, the so-called industrial control bills are receiving more searching examination in committee than is the case in the Senate.

Status of Other Bills

COPELAND BILL.—There is no change in the status of the bill to amend the Food and Drugs Act. It is still in committee with no action taken to date.

SARDINE REDUCTION BILLS.—Joint hearings are being held by the Senate Commerce Committee and the House Committee on Merchant Marine and Fisheries on the various bills to restrict the reduction or processing of sardines at sea along the west coast of the United States. Among the bills being considered are the Bland Bill (H. R. 11638) and the companion McAdoo Bill (S. 4141).

BASING-POINT BILL.—Hearings are under way in the Senate Interstate Commerce Committee on the so-called Wheeler Anti-Basing-Point Bill (S. 4055), which would make unlawful any transportation charge added to the shipping-point price that did not represent the actual cost of transportation. Representatives of the steel industry are the first of the opponents to appear against the bill.

WATER POLLUTION BILLS.—The Senate Commerce Committee heard witnesses during the week on the Lonergan Bill (S. 3958) to prevent pollution of navigable waters. Future hearings will be held beginning March 23. A House bill introduced by request by Rep. Mansfield (H. R. 8992) is not a committee or administration bill.

TEXTILE N.R.A. BILL.—The House Labor Committee has agreed to report out favorably the Ellenbogen Bill (H. R. 9072) to set up a "Little N.R.A." in the textile industry.

Proposed Legislation to Amend Anti-Trust Laws

At the present session of Congress a number of bills have been introduced which contemplate various amendments to the anti-trust laws. The bills may be grouped into three classes: (1) Proposals to amend Section 2 or other portions of the Clayton Act; (2) proposals to amend the Federal Trade Commission Act; (3) proposals to amend the Sherman Act. The bills may be briefly outlined in this order:

I. Proposals to Amend Section 2 or Other Portions of the Clayton Act

The most important of the bills which have been offered as amendments to Section 2 of the Clayton Act is the so-called Robinson-Patman Bill, introduced in the House as H. R. 8442, and in the Senate as S. 3154. As introduced these bills were identical in terms.

The Patman Bill (H. R. 8442) makes it unlawful "for any person engaged in commerce, in the course of such commerce, either directly or indirectly, to discriminate in price or terms of sale between different purchasers of commodities of like grade and quality, where either or any of the purchases involved in such discrimination are in commerce, and where such commodities are sold for use, consumption, or resale within the United States or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States":

This bill also provides "That nothing herein contained shall prevent differentials in prices as between purchasers depending solely upon whether they purchase for resale to wholesalers, to retailers, or to consumers, or for use in further manufacture; nor differentials which make only due allowance for differences in the cost of manufacture, sale, or delivery resulting from the differing methods or quantities in which such commodities are to such purchasers sold or delivered."

Another important provision of this bill reads as follows:

"(b) That is shall be unlawful for any person engaged in commerce, in the course of such commerce, to pay or grant, or to receive or accept, anything of value as a commission, brokerage, or other compensation to an agent, representative, or other intermediary in connection with the sale or purchase of goods, wares, or merchandise, where such intermediary is acting therein for or in behalf or is subject to the direct or indirect control, of any party to such purchase and sale transaction other than the person by whom such compensation is so granted or paid.

"(c) That it shall be unlawful for any person engaged in commerce to pay or contract for the payment of anything of value to or for the benefit of a customer of such person in the course of such commerce as compensation or in consideration for any services or facilities furnished by or through such customer in connection with the processing, handling, sale, or offering for sale of any products or commodities manufactured, sold, or offered for sale by such person, unless—

> "(1) such payment or consideration is offered on proportionally equally terms to all other customers competing in the distribution of such products or commodities; or unless
>
> "(2) the business, identity, or interests of such customer are in no way publicly associated, by name, reference, allusion, proximity, or otherwise, with or in the furnishing of such services or facilities, and the consideration paid therefor does not exceed the fair value of such services in the localities where furnished."

The Patman Bill also contains provisions creating various presumptions to determine the measure of damage from

violations of this section in a suit under Section 4 of the Clayton Act.

As noted above, the Robinson Bill, when introduced in the Senate, contained provisions identical with those of the Patman Bill. It was referred to the Senate Committee on the Judiciary and that Committee reported the bill without hearing. In its Report No. 1502, it made a number of substantial changes in the bill, which as reported provides:

"That it shall be unlawful for any person engaged in commerce, in the course of such commerce, either directly or indirectly, to discriminate in price or terms of sale between different purchasers of commodities of like grade and quality, where either or any of the purchases involved in such discrimination are in commerce, where such commodities are sold for use, consumption, or resale within the United States or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States, *and where the effect of such discrimination may be substantially to lessen competition or tend to create a monopoly in any line of commerce, or to injure, destroy, or prevent competition with any person who either grants or receives the benefit of such discrimination, or with customers of either of them.*"

The italicized portion does not appear in the original Robinson-Patman Bill but was added by the Committee in its report.

The Patman Bill provided that differentials in prices which make only due allowance for differences in the cost of manufacture, sale, etc. would be lawful. A similar provision is found in the amended Robinson Bill, but one important addition is made. The amended bill provides that nothing contained in the Act shall prevent "differentials which make only due allowance for differences in the cost, *other than brokerage*, of manufacture, sale, or delivery resulting from the differing methods or quantities in which such commodities are to such purchasers sold or delivered."

Another important provision not found in the Patman Bill was added by the Senate Committee. This provision reads:

"That the Federal Trade Commission may, after due investigation and hearing to all interested parties, fix and establish quantity limits, and revise the same as it finds necessary, as to particular commodities or classes of commodities, where it finds that available purchasers in greater quantities are so few as to render differentials on account thereof unjustly discriminatory or promotive of monopoly in any line of commerce; and the foregoing shall then not be construed to permit differentials based on differences in quantities greater than those so fixed and established."

The amended Senate bill likewise contains a presumptive rule of damages which differs somewhat from that contained in the Patman Bill. The remainder of the provisions of the Patman Bill are incorporated bodily in the amended Robinson Bill with only a few minor changes in terminology.

Other bills introduced this session contemplating amendments to Section 2 of the Clayton Act are the Borah Bill (S. 3670), the Copeland Bill (S. 4024), the Borah and Van Nuys Bill (S. 4171), and the Utterback Bill (H. R. 10486). Space does not permit an extended analysis of the terms of these bills. Their purpose, however, is substantially the same as that of the Robinson-Patman Bill.

The addition of several new sections to the Clayton Act is proposed in the Wheeler Bill (S. 4055), known as the Anti-Basing Point Act, and a companion bill (H. R. 11329), introduced in the House by Mr. Utterback. These bills are directed against the practice of uniform delivered prices, and it is made unlawful to add to the price of goods any item representing freight charges which are not actually incurred, or "to quote a delivered price for any commodity sold in commerce * * * without giving the prospective purchaser the option of accepting delivery free on board such person's shipping point, at a price which shall be derived by subtracting from the delivered price quoted the actual amount disbursed or to be disbursed by such person for freight or other transportation costs."

II. Proposals to Amend the Federal Trade Commission Act

The Wheeler Bill (S. 3744), introduced in the Senate January 17, 1936, and the Rayburn Bill (H. R. 10385), introduced in the House of Representatives on January 20, 1936, contemplate rather far-reaching amendments to the Federal Trade Commission Act. The most important of the proposed changes is the addition to the present provision making unlawful "unfair methods of competition in commerce" of a phrase declaring unlawful "unfair or deceptive acts and practices in commerce."

The procedure for enforcement is also changed, making it no longer necessary that the Commission establish a violation of its order as a condition precedent to court action looking to the enforcement of such order.

Under the Federal Trade Commission Act as it now exists, a cease and desist order issued by the Commission had no mandatory effect until it was affirmed by an order of a circuit court of appeals. Under the proposed amendments contemplated by these bills it is made an offense to violate or fail to obey any cease and desist order entered by the Commission.

The investigatory powers of the Commission are broadened to include persons and partnerships as well as corporations, and the following important provision is made:

"The Congress hereby confers on the Commission so much of the auxiliary power of Congress to obtain information in the aid of legislation as may be necessary to enable the Commission to carry out the provisions of Section 6."

Senator King has introduced in the Senate an amendment to this Wheeler Bill (S. 3744) which authorizes the Federal Trade Commission, upon its own motion or upon the request of a substantial number of members of any trade or industry engaged in commerce, to invite the members of such trade or industry to Trade Practice Conferences for the formulation of voluntary agreements, rules and regulations for the conduct of business in that trade or industry, and which prescribes limitations regarding the rules which may be adopted.

III. Proposals to Amend the Sherman Act

Three bills proposing amendments to Section 1 of the Sherman Act have been introduced this session. They are the Radcliffe Bill (S. 3518), the Tydings Bill (S. 3822) and the Dies Bill (H. R. 11167). The Tydings and Dies Bills are identical in terms, and the Radcliffe Bill is substantially similar in its provisions. These bills provide that contracts prescribing minimum prices for the resale of a commodity which bears the trade-mark, brand, or name of the producer shall not be unlawful, when such contracts or agreements are lawful as applied to intrastate transactions under the laws

of the State in which such resale is to be made or to which the commodity is to be transported following the sale. The bills also provide that such contracts controlling resale prices shall not be considered an unfair method of competition under Section 5 of the Federal Trade Commission Act.

Federal Unemployment Compensation Tax Regulations

The Commissioner of Internal Revenue has announced the release of Regulations 90 relating to the Federal unemployment compensation tax imposed under Title IX of the Social Security Act. These regulations are not available as the INFORMATION LETTER goes to press, but the following excerpts from a preliminary summary issued by the Treasury Department will be of interest to canners even though to some extent they duplicate information already printed by the Association. Further details will be published as soon as the text of the regulations is available.

Definitions of Employer and Employee

Commencing with the calendar year 1936, every person who employs eight or more individuals on a total of 20 or more calendar days during a calendar year, each such day being in a different calendar week, is, with certain exceptions, an employer subject to the tax imposed for each such calendar year by Title IX of the Social Security Act. The weeks in each of which occurs a day on which eight or more individuals are employed need not be consecutive nor is it necessary that the individuals so employed be the same individuals nor that they be employed at the same moment of time or for any particular length of time or on any particular basis of compensation. It is sufficient if the total number of individuals employed during the 24 hours of a calendar day is eight or more, regardless of the period of service during that day or the basis of compensation. No employee is counted, however, unless he is engaged in the performance of services within the United States; that is, any of the several States, the District of Columbia, or the Territories of Alaska and Hawaii. To the extent that an employee performs services outside of the United States he will not be counted for the purpose of determining whether the person who employs him is an "employer" within the meaning of the Act and remuneration payable to the employee for services performed outside of the United States is excluded from the computation of wages upon which his employer's tax is based. Even if an "employer" is not subject to any State unemployment insurance law, he is nevertheless subject to the tax.

Generally the relationship of employer and employee exists when the person for whom services are performed has the right to control and direct the individual who performs the services, not only as to the result to be accomplished by the work but also as to the details and means by which that result is accomplished. That is, an employee is subject to the will and control of the employer not only as to what shall be done but how it shall be done. It is not necessary that the employer actually direct or control the manner in which the services are performed; it is sufficient if he has the right to do so. If an individual is subject to the control or direction of another merely as to the result to be accomplished by the work and not as to the means and methods for accomplishing the result, he is, in general, an independent contractor, and not an employee. Where the relationship of employer and employee exists, the designation or description of the relationship as anything other than that of employer and employee is immaterial. The measurement, method, or designation of compensation is also immaterial. An officer of a corporation is an employee but a director, as such, is not. A director may be an employee of the corporation, however, if he performs services for the corporation other than those required by the attendance at and participation in meetings of the board of directors. Generally, physicians, lawyers, dentists, veterinarians, contractors, subcontractors, public stenographers, auctioneers, and others who follow an independent trade, business or profession in which they offer their services to the public are independent contractors and not employees.

Excepted Services

Certain services performed by employees are excepted from the term "employment" by the Act and are excluded for the purpose (1) of determining whether a person employs a sufficient number of individuals to be an employer subject to the tax, and (2) of computing the total wages payable with respect to employment during the calendar year. The exception attaches to the services performed by the employee and not to the employee as an individual and it applies only for the period during which the employee is rendering services in an excepted class. The excepted services are as follows:

AGRICULTURAL LABOR.—This term includes all services performed (a) by an employee, on a farm, in connection with the cultivation of the soil, the harvesting of crops, or the raising, feeding, or management of live stock, bees, and poultry; or (b) by an employee in connection with the processing of articles from materials which were produced on a farm; also the packing, packaging, transportation, or marketing of those materials or articles. Such services do not constitute "agricultural labor," however, unless they are performed by an employee of the owner or tenant of the farm on which the materials in their raw or natural state were produced, and unless such processing, packing, packaging, transportation, or marketing is carried on as an incident to ordinary farming operations as distinguished from manufacturing or commercial operations. The term "farm" embraces the farm in the ordinarily accepted sense, and includes stock, dairy, poultry, fruit, and truck farms, plantations, ranches, ranges, and orchards. Forestry and lumbering are not included within the exception.

SERVICE AS OFFICER OR MEMBER OF VESSEL'S CREW.—Service performed as an officer or member of the crew of a vessel on the navigable waters of the United States; that is, such waters as are navigable in fact and which by themselves or their connection with other waters form a continuous channel for commerce with foreign countries or among the States. A "vessel" includes every description of watercraft or other contrivance used as a means of transportation on water but does not include any type of aircraft. "Officer or member of the crew" includes the master or officer in charge of the vessel and every individual subject to his authority serving on board and contributing in any way to the operation and welfare of the vessel.

Basis and Rate of Tax

The basis of the tax is the total amount of wages payable by an employer with respect to employment during the calendar year, regardless of the time of actual payment. Wages are payable within the meaning of the Act (1) if there is an obligation at any time to pay wages with respect to employment during the calendar year, or (2) if, at any time, wages are actually paid with respect to employment during the calendar year. It is immaterial whether such wages are certain in amount at any time within the calendar year,

and whether the right exists to enforce the payment of such wages at any time within the calendar year. The term "wages" means all remuneration for employment, whether payable in money or something other than money and the name by which such remuneration is designated is not material. Based on the total wages payable, the rate of tax for the calendar year 1936 is one per cent; for the calendar year 1937, two per cent; and for the calendar year 1938 and any subsequent calendar year, three per cent.

Credit of Contributions against Tax

The taxpayer may credit against the tax the total amount of contributions, with respect to employment during the taxable year, paid by him into an unemployment fund under the laws of any State, provided the Social Security Board has found such laws to contain the provisions specified in section 903(a) of the Social Security Act and has for the taxable year so certified to the Secretary of the Treasury. The allowance of contributions as credit against the tax is subject to the following limitations: (1) The total credit shall not in any case exceed 90 per cent of the tax against which it is applied; (2) the contributions must have been actually paid into the State unemployment fund before the date on which the return for the calendar year is required to be filed; that is, on or before January 31 next following the close of the calendar year unless the time for filing is extended; (3) the contributions must have been paid with respect to services performed by an employee within the United States and not excepted from the term "employment" by the Act; and (4) the contributions must have been paid with respect to services performed during the calendar year covered by the return. If, after the return is filed, a refund is made by a State to the taxpayer of any part of his contributions credited against the tax, the taxpayer is required to advise the Commissioner of Internal Revenue, under oath, of the date and amount of the refund and the reason therefor, and to pay any tax due as a result of the refund, together with interest from the date the tax was due. No credit will be allowed unless the taxpayer submits to the Commissioner certain documentary evidence, concerning which the return form will contain full instructions.

Returns and Payment of Tax

As the first return required under Title IX of the Act will be for the calendar year 1936 and is not due to be filed until January 31, 1937, employers will have ample opportunity to become acquainted with the requirements of the law and regulations and to secure any advice or assistance necessary to enable them to make a proper return. The tax is due and payable, without assessment or notice or demand, at the same time the return is due to be filed; that is, on or before January 31 next following the close of each calendar year. At the option of the taxpayer, the tax may be paid in four equal installments instead of in a single payment, in which event the installments must be paid on or before January 31, April 30, July 31 and October 31, respectively. Returns are required to be made on Form 940. Such forms are now in course of preparation and will be available well in advance of the due date of the return.

School for Canners at Geneva

The regular annual conference for canners, growers and field men in New York State was held at the New York Agricultural Experiment Station at Geneva on March 3rd and 4th. There were nearly 200 in attendance and those in charge of the meeting stated that the registration was larger than that of any previous meeting. Mr. Carlos Campbell, Director of the Association's Statistical Division, discussed the mutual interests of grower and canner and Mr. C. G. Woodbury of the Association's Raw Products Bureau took an active part in the discussions relating to crop production and other raw products problems.

Data Asked for 1936 Canners Directory

The Association is sending to all canners a circular letter, accompanied by a return postcard, asking for information for use in the annual Canners Directory. Members of the Association are urged, not only to return the postcard promptly, but also to furnish the Association with any information they may have with respect to the organization and establishment of new concerns in the canning business. Such information will greatly aid the Association in making its directory accurate and complete.

Unsold Stocks of Canned Salmon

The following statistics on unsold stocks of canned salmon were compiled by the Association of Pacific Fisheries. The figures given for January 31 and February 29, 1936, are based on reports from 72 companies producing approximately 98 per cent of the 1935 pack. The figures for one year ago were based on returns from practically all of the packers and therefore included virtually 100 per cent of the 1934 pack.

Grades or varieties	Stocks on February 29, 1936			Total Feb. 29 1936	Total Jan. 31 1936	Total Feb. 28 1935
	Talls (1 Pound)	Flats (1 Pound)	Halves (8 doz.)			
Chinooks or Kings:	*Cases*	*Cases*	*Cases*	*Cases*	*Cases*	*Cases*
Fancy Red	1,085	10,624	28,556	40,265	43,269	82,518
Standard	1,009	5,950	14,720	21,679	20,330	50,990
Pale	3,107	1,347	289	4,743	4,483	1,331
White	1,584	303	26	1,913	2,842	1,758
Puget Sound Sockeyes	13,632	1,838	72,695	88,165	99,361	118,612
Alaska Reds	271,185	6,292	29,714	307,191	390,925	987,827
Cohoes, Silvers, Medium Reds	34,368	22,804	18,540	75,712	95,868	135,996
Pinks	1,405,319	2,707	42,333	1,450,359	1,843,021	1,231,728
Chums	260,639	....	7,325	267,964	343,494	118,987
Bluebacks	....	....	1,615	1,615	2,259	2,168
Steelheads	776	2,114	4,145	7,035	9,049	9,331
Total	....	....	....	2,266,641	2,854,901	2,741,246

Dr. Joss Heads U. S. Meat-Inspection Service

The appointment of Dr. Edward C. Joss as chief of the Meat Inspection Division of the Bureau of Animal Industry has been announced by the U. S. Department of Agriculture. Dr. Joss has recently been acting chief of that branch of the Government service and succeeds Dr. A. J. Pistor who died several weeks ago. Dr. George E. Totten, who has been in charge of the Bureau's important meat-inspection and stockyards station at Chicago, is being transferred to the administrative office at Washington, D. C., where he will be assistant chief of the Meat Inspection Division. Both new appointments become effective March 16.

Statistical Abstract for 1935 Ready

The "Statistical Abstract 1935," published by the Department of Commerce, is ready for distribution. Copies may be obtained from the Superintendent of Documents, Washington, or offices of the Bureau of Foreign and Domestic Commerce, for $1.50.

Fruit and Vegetable Market Competition

Carlot Shipments as Reported by the Bureau of Agricultural Economics, Department of Agriculture

	Week ending March 7		Week ending February 29	Total for season through March 7	
Commodity	1934	1935	1935	1934	1935
Vegetables:					
Beans, snap and lima	335	281	377	3,599	3,647
Tomatoes	202	193	337	2,986	3,721
Green peas	147	169	173	1,354	1,441
Spinach	175	362	407	3,349	4,734
Others:					
Domestic, competing directly	3,145	3,601	5,569	127,110	113,067
Imports—					
Competing directly	52	71	82	606	631
Competing indirectly	39	104	171	969	1,633
Fruits:					
Citrus, domestic	2,985	3,254	4,007	66,469	58,489
Imports	0	6	5	239	386
Others, domestic	148	212	135	17,846	14,986

Tentative Approval Given Florida Citrus Agreement

A marketing agreement designed to adjust shipments of Florida oranges, grapefruit, and tangerines more nearly in accordance with demand conditions so that returns to growers may be increased, has been tentatively approved by the Secretary of Agriculture. The agreement is being sent to the shippers for signature.

Growers will consider the proposed program in a series of meetings which will be scheduled by the University of Florida agricultural extension service. Before the marketing agreement program can become effective, the agreement must be signed by at least 50 per cent of the shippers, and the Secretary must find that issuance of an order which embodies the terms of the agreement is favored by two-thirds of the growers by number or volume of fruit produced.

Have You Ordered a Binder?

As announced several weeks ago, the Association has arranged to supply its members, at a moderate price, with ring binders in which to keep a permanent file of the weekly INFORMATION LETTER. Already a considerable number of members have ordered these binders, the price of which is $1.00 postpaid.

Inquiries coming to the Association on various subjects frequently state that the information desired was published in the weekly Letter, but that the Letters have been lost or mislaid. This fact illustrates the advantage of maintaining a file of the Letters as issued. An index of the INFORMATION LETTER is issued annually, and this facilitates finding desired items.

Tolley Becomes Acting Administrator of A.A.A.

Howard R. Tolley, director of the Giannini Foundation at Berkeley, California, and former director of the Division of Program Planning of the A.A.A., will be acting administrator of the A.A.A. during the two-months absence of Administrator Chester C. Davis, who will sail about March 20th for Europe, where he will study foreign markets for American agricultural products. Mr. Tolley had severed his connection with the A.A.A. and returned to California, but was recalled in January to assist in drafting a new program after the processing taxes were declared unconstitutional by the Supreme Court.

Alaska Fisheries Regulations Published

The U. S. Department of Commerce has issued in pamphlet form as Circular No. 251 the laws and regulations for the protection of fisheries of Alaska. The circular, which is under date of February 8, 1936, contains the text of laws for the protection of the Alaska fisheries as well as the regulations formulated by the Department under the authority of these laws.

Department Store Sales in February

Department store sales continued in February at about the same level as in January and, when allowance is made for seasonal changes, in about the same dollar volume as last summer and autumn, according to the monthly report of the Federal Reserve System. The Board's seasonally adjusted index in February was 80 per cent of the 1923-1925 average compared with 79 per cent in January. The value of sales in Febraury was 13 per cent larger than in the corresponding month last year, reflecting in part the fact that there was one more trading day this year than in February, 1935. All Federal Reserve districts showed increases over a year ago.

Cold Storage Holdings of Fishery Products

Cold storage holdings of fishery products in the United States on February 15 were 13 per cent less than a year ago, and 1 per cent less than the five-year average, according to the Commerce Department's Bureau of Fisheries. Holdings on February 15 amounted to 45,079,000 pounds, compared with 51,539,000 pounds on February 15, 1935, and the five-year average of 45,342,000 pounds, statistics show.

During the thirty days ending February 15, 3,096,000 pounds of fishery products were frozen, compared with 3,974,000 pounds frozen in the corresponding period of 1935.

Funds Sought for Tomato Disease Research

The request for funds for the U. S. Department of Agriculture to provide additional research on tomato diseases was one of the subjects of the hearing on March 11th before the subcommittee of the Senate Finance Committee considering appropriations for the Department of Agriculture, and at the request of Chairman Russell of the subcommittee, Mr. Charles G. Woodbury, Director of the Association's Raw Products Research Bureau, submitted a statement on the subject, which was as follows:

"I wish to support the request that has been presented to the Committee for an appropriation to the United States Department of Agriculture to provide for additional research on problems relating to diseases of tomatoes, including those that are seed borne; on problems of tomato plant production, nutrition, packing and transportation of tomato seedlings; on infection of seedling tomatoes by plant disease organisms; transmission of tomato plant diseases, etc., all with particular reference to the growing of tomato plants in the South and their shipment to various other States for the growing of tomatoes for canning and manufacture.

"Canners and growers have a mutual interest in the availability of tomato plants at the proper time for setting in the field. For many years past canners and growers have found that the use of southern grown plants to supplement those grown locally (or instead of locally-grown plants) gives increased assurance of satisfactory crops.

"The business of growing tomato plants in Georgia, and to a lesser extent in other southern states, has grown to large proportions. Southern grown plants constitute an important part of the acreage of tomatoes for manufacture in Indiana, Maryland, New Jersey and other canning states.

"The quality and value of southern grown tomato plants depends on proper methods of growing, packing and shipping and, to a very important degree, on the plants being free from plant diseases. If the seedling plants are infected with disease, the grower and canner who are depending on the crop are certain to suffer loss.

"In the effort to insure plants of satisfactory quality a system of plant certification has been developed in the principal southern producing sections. It has been found in the development of plant certification requirements that there are many unsolved problems in connection with the treatment of tomato seed for destruction of plant disease organisms, transmission of disease by infected seed, relation of diseases appearing in the seedlings to possible soil or seed transmission and relation of seed producing methods to possible infection of seed by disease organisms.

"In view of the fact that tomato seed from which plants are grown in the South is produced generally in the middle West and North, and that the interests of growers and canners in many important tomato producing States are related intimately to the quality and freedom from disease of seedling plants grown in the South, it is obvious that the problems involved relate to procedures and conditions in a wide geographical area and that no single State can carry on the research necessary to solve the problems. The United States Department of Agriculture is the logical agency to undertake and carry through the necessary research and we hope the appropriation necessary may be granted."

Forecast of California Canning Spinach Acreage

The acreage of California spinach for canning is estimated at 11,300 acres compared with 13,410 acres harvested in 1935, and with an average of 7,980 acres for the 5-year period 1930-34, according to a crop report issued March 10th by the U. S. Bureau of Agricultural Economics.

Some damage to the canning spinach acreage in the northern part of the State from rains and flood waters is reported, although it is still too early to forecast the extent of the damage or the amount of acreage affected. Canners' reports of losses range from 20 to 30 per cent in the Sacramento and San Joaquin Valleys. In the estimate of 11,300 acres, allowance has been made for this loss.

The forecast yield per acre is 4.0 tons, and compares with a yield of 3.3 tons secured in 1935. Based upon this indicated yield, the forecast of production is 45,200 tons and compares with a production of 44,300 tons for 1935, and an average production of 30,200 tons for the 5-year period 1930-1934.

Truck Crop Prospects

The following statements briefly review the current releases of the U. S. Bureau of Agricultural Economics on the acreage and production forecasts of certain commercial truck crops in specified groups of States for the 1936 season.

ASPARAGUS.—The indicated total production (for market and for manufacture) in California, based on reported condition on March 1, is placed roughly at the equivalent of 7,392,000 crates (24-pound) but it is not likely that the full amount will be cut, either for fresh market sales or for local canners. This would indicate an increase of 15 per cent over last year's total production of 6,449,000 crates, 74 per cent of which was used for manufacture. In the two early eastern States, production is expected to be the same as a year ago in Georgia and 5 per cent larger in South Carolina. This would indicate a total production in the two States of 464,000 crates (24-pound) in 1936, compared with 445,000 crates in 1935.

SNAP BEANS.—The production of snap beans now forecast for the winter crop in Florida is one-fifth smaller than that of a year ago, or 1,800,000 bushels in 1936, compared with 2,240,000 bushels in 1935; but compared with the average of 936,000 bushels for the 5-year period 1928 to 1932, there is an indicated increase of 92 per cent. The reported acreage of 30,000 is 7 per cent greater than the 1935 acreage of 28,000, but the average yield per acre is expected to be one-fourth lower than last year's yield.

A preliminary estimate of production for the fall-crop States, Florida and Texas, shows a slight decrease, 3 per cent, below the 1935 fall crop—1,285,000 bushels, compared with 1,327,000 bushels in 1935.

CABBAGE.—There are 295,700 tons of cabbage now forecast for the four early States (California, Florida, Louisiana, and Texas), which is about 4 per cent below that indicated by conditions as of January 1. This decrease is due to crop prospects in Florida being lowered by damage from cold weather. This year's indicated production is still more than double last year's crop of 126,400 tons and 42 per cent larger than the 5-year average (1928-1932) of 208,900 tons.

The acreage in the second early States (Alabama, Georgia, Mississippi, North Carolina, South Carolina, and Virginia) is now estimated at 13,790 acres, as compared with 14,900 acres in 1935, a decrease of 7 per cent. Freeze damage to

plants in Mississippi has reduced the acreage in that State from earlier estimates.

SPINACH.—The production of spinach in the early group of States (California, Louisiana, South Carolina, and Texas) is now forecast at 8,167,000 bushels, indicating an increase of 60 per cent over last year's crop of 5,094,000 bushels. Prospects for the crop in Texas have been reduced by weather conditions and disease, and it is now expected to be only two-thirds as large as that indicated by conditions in January. About 95 per cent of the early-crop acreage is grown in Texas.

TOMATOES.—A preliminary estimate of acreage for three early commercial districts (California, Imperial; Florida, other; and Texas, Lower Valley), shows increases of 59 per cent over 22,000 acres in 1935 and 32 per cent over the average of 26,600 acres for the preceding five years, 1928 to 1932. The 35,000 acres estimated for 1936 is the largest acreage reported for these districts since 1924, when 37,940 acres were grown. All districts report increases over last year's acreage—Imperial Valley 48 per cent, Florida, other 68 per cent, and the Lower Valley 51 per cent.

Yield indications for the crop in south Florida have been reduced considerably from those of a month ago due, chiefly, to damage by heavy rainfall, and production is now expected to be 28 per cent smaller than that in 1935.

Frozen and Preserved Fruits in Cold Storage

The following table shows the holdings of fruit in cold storage reported by the Bureau of Agricultural Economics as of March 1st, also a comparison with last year and with a five-year average:

	March 1, 1936	March 1, 1935	Five-year average
Apples:			
Barrels	435,000	338,000	509,000
Boxes	9,382,000	7,839,000	8,354,000
Baskets	7,242,000	5,084,000	4,456,000
Pears:			
Boxes	449,000	284,000	448,000
Baskets	10,000	12,000	35,000
Frozen and preserved fruits:			
Pounds	68,252,000	50,540,000	62,447,000

Preparing Shipments to Canada

The Bureau of Foreign and Domestic Commerce has issued in revised form its bulletin (Trade Promotion Series No. 91) on the documentation and customs requirements for shipments to Canada. The revision of the bulletin was made necessary by the extension to the United States by Canada of most-favored-foreign-nation rates of duty, effective January 1, 1936, under the reciprocal trade agreement between the United States and that country.

The bulletin deals with such subjects as documents on freight and express shipments; labeling, marking, and packing; basis of customs duties; special taxes; and customs procedure and other customs requirements.

Copies of the bulletin may be obtained from the Superintendent of Documents, Government Printing Office, Washington, D. C., for 10 cents each.

State Hour and Wage Laws for Women

A summary of the state hour laws for women and mimimum wage rates has been issued by the Women's Bureau of the U. S. Department of Labor as Bulletin No. 137. Copies of the bulletin may be obtained from the Superintendent of Documents, Government Printing Office, Washington, at 10 cents per copy.

Japanese Beetles Resist Winter, Deep in the Earth

Cold weather in the area now infested by the Japanese beetle—roughly eastern Pennsylvania and the southern two-thirds of New Jersey—seems to be no hindrance to the grubs hibernating in the ground.

Recent studies by entomologists of the United States Department of Agriculture show that numbers of this destructive pest in the soil do not decrease in winter, usually the season of heaviest insect mortality. Even the abnormally cold winter of 1933-34 in the East killed comparatively few beetle grubs.

Outside the generally infested areas, the Japanese beetle is found in isolated cases and light infestations in New England, as far south as South Carolina and as far west as St. Louis. It may advance 10 to 15 miles of its own accord in a year, but is occasionally transported great distances as a stowaway on fruit, flowers, or vegetables.

Low temperatures, entomologists explain, stop activities of disease organisms that prey on larvae of the beetle in the soil in warm weather. Furthermore, the larvae, or grubs, of the beetle—the overwintering form—go down so deep into the ground that they are beyond the reach of intense cold as well as of birds and other predators feeding at the surface.

Japanese beetles in the ground reach greatest numbers early in September at the end of 2 months of active egg laying. Then they decrease until the weather gets cold. Return of warm weather starts another decrease in the number found in the ground—most striking in May and early June.

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